

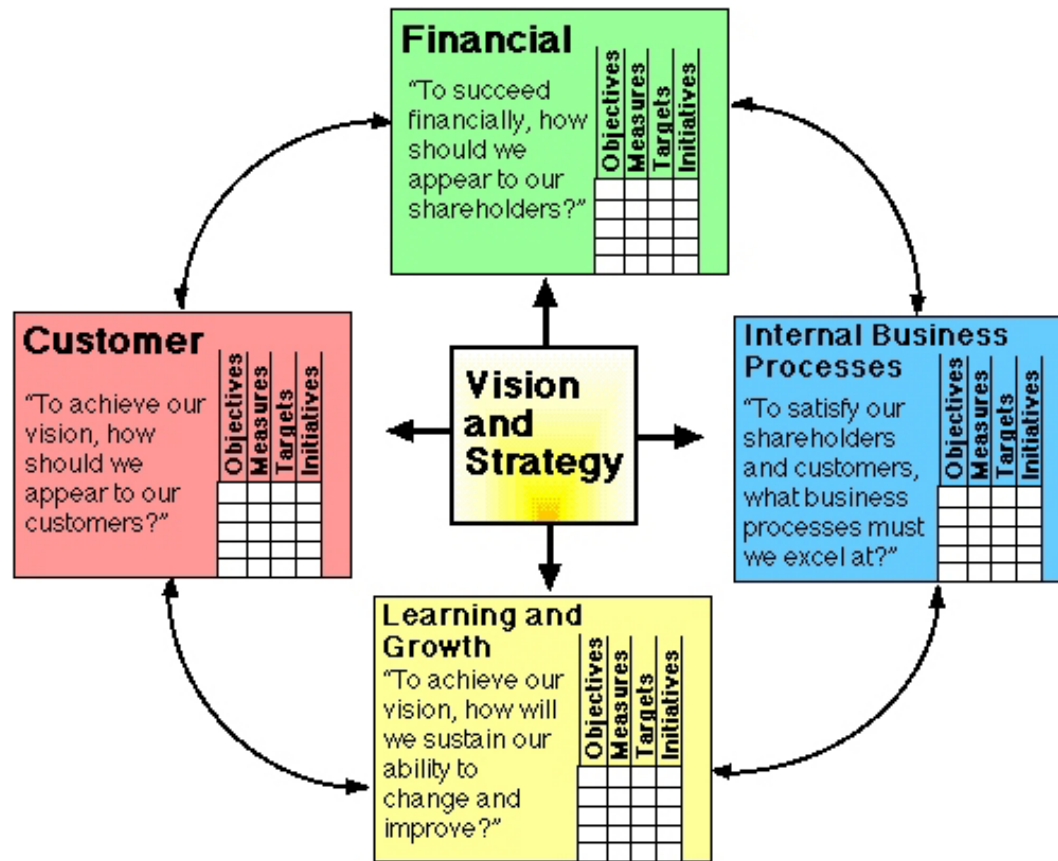


About the Balanced Scorecard (BSC) and the Federal Enterprise Architecture Performance Reference Model (FEA-PRM)

February 2005

— *Army Enterprise Integration Oversight Office* —

About the Balanced Scorecard (BSC)



- An approach for strategic management, balancing
 - ☐ Short and long-term objectives
 - ☐ Financial and non-financial measures
 - ☐ Lagging and leading indicators
 - ☐ External and internal performance
- BSC uses four perspectives to assess the health of an organization
 - ☐ Learning and Growth
 - ☐ Business Process
 - ☐ Customer
 - ☐ Financial
- Builds on key concepts of previous management philosophies such as TQM, and Six Sigma

The BSC helps an enterprise create future value by understanding results and identifying improvement opportunities through implementing a double-loop feedback process

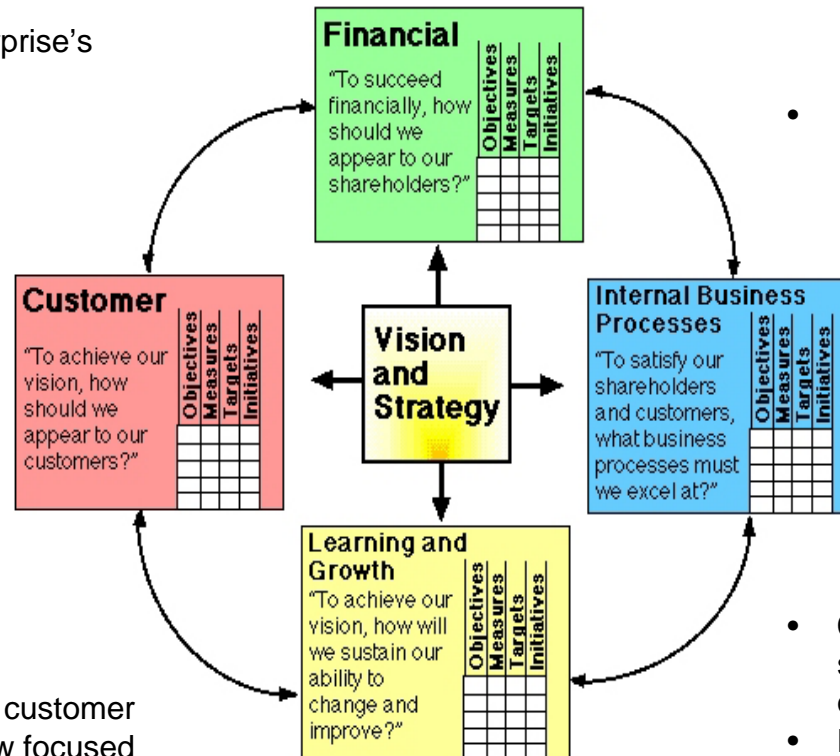
Balanced Scorecard Perspectives

Financial

- Focuses on traditional need for timely and accurate funding data
- Prioritizes the enterprise's programs

Internal Business Process

- Provides insight on how well the business is operating and whether its products and services support the customer requirements and organization's mission
- Focuses on two types of business processes:
 1. Mission-oriented
 - Unique to office
 2. Support
 - Generic function



Customer

- Provides insight on customer satisfaction and how focused the enterprise is on their customer-base
- Performance is a leading indicator of future activity

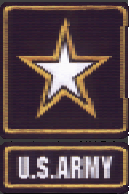
Learning and Growth

- Constitute the essential foundation for success of any knowledge organization
- Provides insight on how to focus training funds
- Learning is more than just training, also includes: communication, mentors and tutors, and technological tools

About the FEA



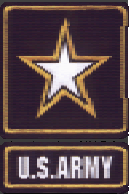
- Objective: To help agencies identify ways to cut costs and increase effectiveness
- Goals
 - ☐ Enable the Federal government to identify opportunities to leverage technology and alleviate redundancy, or to highlight where agency overlap limits the value of IT investments
 - ☐ Facilitate horizontal (cross-Federal) and vertical (Federal, State and Local) integration of IT resources
 - ☐ Establish the “line of sight” contribution of IT to mission and program performance
 - ☐ Support a more citizen-centered, customer-focused government that maximizes IT investments to better achieve mission outcomes
- Drivers for development of the FEA
 - ☐ President’s Management Agenda (PMA)
 - ☐ Migration from Agency-centered to Citizen-centered
 - ☐ E-Business best practices



About the PRM



- PRM is a reference model to measure the performance of major IT investments and their contribution to program performance
- Purpose
 - ☐ Help produce enhanced performance information to improve strategic and daily decision-making
 - ☐ Improve the alignment and better articulate the contributions of inputs to outputs and outcomes
 - ☐ Identify performance improvement opportunities that span traditional organizational structures and boundaries
- Emphasis placed on linkage of investment to agency program performance



Framework measurement areas

Performance Reference Model (PRM) Framework

Mission and Business Results

- Capture agency outcomes
- Outcomes developed during agency budget and strategic planning process per GPRA and approved by the PART



Customer Results

- Capture how well an agency or specific process within an agency is serving its customers
- Key aspect of E-Government

Process and Activities Results

- Capture the outputs that are the direct result of the process that an IT initiative supports
- Monitors processes or activities that need to be improved
- Influence Mission and Business and Customer results

Technology Results

- Capture key elements of performance that directly relate to the IT initiative (includes applications, infrastructure, or services provided in support of a process or program)

Comparison of the PRM with the Balanced Scorecard framework

ATTRIBUTES

	PRM	Balanced Scorecard
Approach	Bottom-Up	Top-Down
Primary Driver	BRM	Strategic Vision & Mission
Focus	Output & Outcome	Output & Outcome
Support	PfM & Budget process and supporting Statutory Guidance	Statutory & Strategic Guidance
Perspectives/ Measurement Areas	<ul style="list-style-type: none"> - Mission and Business Results - Customer Results - Processes and Activities - Human Capital - Technology - Other Fixed Assets 	<ul style="list-style-type: none"> - Customer - Financial - Internal - Learning and Growth
Sponsorship	Office of Management and Budget (OMB)	Leading Practice - Implemented by DoD and Army

For More Information . . .



Visit the References Section of the AEIOO Website for:

- ☐ Definitions
- ☐ Templates
- ☐ Implementation Approaches
- ☐ Links to other sources of information

